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DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. C. Iacovou (Greece)

Addendum

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Chapter II

ASSISTANCE TO THE PALESTINIAN PEOPLE (CONFERENCE RESOLUTIONS 146 (VI)
OF 2 JULY 1983 AND 169 (VII) OF 3 AUGUST 1987)

(Agenda item 7)

22. For its consideration of this item, Sessional Committee II had before it the following documentation:

"Recent economic developments in the occupied Palestinian territory: report by the UNCTAD secretariat" (TD/B/1266 and Corr.1).

23. The representative of the UNCTAD secretariat, introducing the item, highlighted the main findings and conclusions of the secretariat's report, pointing to the rapid deterioration in the Palestinian economy and the intensification of the measures introduced by the Israeli authorities since the Palestinian uprising. Despite the initiatives of the Palestinian people aimed at enhancing self-reliance, there were, in general, no indications of real improvement in aggregate economic performance in the territory. Performance in 1989/1990 had maintained the downward trend of the previous year, with gross domestic product estimated to have fallen by as much as 35 per cent from its pre-1988 level.

24. He indicated some of the specific sectors which continued to suffer from the restrictive measures introduced and/or intensified during the period under review. He also referred to the adverse effects of the Gulf crisis on the Palestinian economy. While noting the recent intentions of the Israeli occupation authorities to relax some of the restrictions, he urged the Israeli authorities to give further consideration to the growing immediate and long-term needs of the Palestinian economy for policy reform and restructuring, as elaborated in recommendations contained in the UNCTAD secretariat report. He also appealed to the international community to help the Palestinians and Israelis alike in taking the bold steps required to place the Palestinian economy on the path of revival and development.

25. The representative of the Syrian Arab Republic stressed the importance of two main points highlighted in document TD/B/1266, namely the depth and strength of the Palestinian uprising and the consequent re-orientation of the economy towards self-reliance, and the restrictive and arbitrary measures imposed by the Israeli occupation authorities.

26. Israeli practices included the appropriation by Israel of 80 per cent of the water resources of the occupied territories; the uprooting of tens of

thousands of trees; the destruction of houses; hindering external aid and trade and subjecting them to strict controls; and the expropriation and confiscation of land in order to build new settlements in the occupied Arab territories and absorb the thousands of new Jewish immigrants. All these were in complete violation of international law and international conventions, especially the Fourth Geneva Convention, and contrary to human, social and economic principles upheld by democratic and civilized societies. Their aim was to destroy the Palestinian economic structure, impoverish the Palestinian people and force them to leave their land and country.

27. The United Nations, other international bodies and sympathetic Governments should continue to help the Palestinian people in its efforts to develop and restructure its economy, through well studied programmes and in accordance with the needs voiced by the Palestinians themselves. Finally, he reaffirmed that easing the deterioration of economic and living conditions would be futile as long as Israeli occupation persisted and the Palestinian people was prevented from exercising its right to self-determination and from establishing its independent State on its land.

28. The representative of Jordan stressed the importance he attached to the work of the Special Economic Unit, as well as the need to provide it with the resources it required to implement its work over the coming years. He also affirmed the importance of the forthcoming intersectoral study and said he appreciated the concluding recommendations of the secretariat's report to the Board (TD/B/1266).

29. He cited two major aspects of the current economic situation in the occupied territory which were highlighted in the report, namely the adoption by Palestinians of a self-reliant development strategy that would limit their forced dependence on the Israeli economy, and the review of Israeli measures and practices aimed at ending the Palestinian initiatives and the intifada. He drew attention to measures practised by the occupation authorities since December 1987, including the destruction of homes; the expropriation of land, mainly in order to settle new Jewish immigrants from the Soviet Union and Eastern Europe; restrictions on the movements of Palestinian workers; and controls imposed on exports and on external aid flows. He also pointed to the plight of the agricultural sector as a result of Israel's policies, and to the fact that Palestinians had a shrinking proportion of land available to them and severely restricted access to their own water resources. The

Middle East was experiencing a serious water crisis as a result of Israel's abuse of the region's water reserves, in addition to its diversion of the flows of the Jordan and Litani rivers.

30. As for the confiscation of wide areas of land to absorb the large number of new Jewish immigrants from the Soviet Union and Eastern Europe, this constituted a worrying and grave development that would threaten the region's prospects for peace, security and stability. United Nations resolutions had affirmed the illegality of Israel's settlement policy and of all measures aimed at transforming the physical characteristics of the occupied Palestinian territory.

31. The Palestinians' resistance to the continued economic deterioration caused by their dependency on Israel was now clearly expressed in their attempts at disengaging from the Israeli economy and institutions and at achieving self-reliance. The international community must take remedial action to tackle the worsening conditions of the occupied Palestinian territory by putting an end to Israeli practices and assisting the Palestinian people in building a solid economy and achieving their right to self-determination and the establishment of their independent State.

32. The representative of China said that document TD/B/1266 provided material for a better understanding of the situation in the occupied Palestinian territory.

33. The continued worsening of the economic conditions of the Palestinian territories since their occupation in 1967 had recently been further aggravated by Israeli measures of economic plunder, and these measures had resulted in huge losses in terms of national and human resources. The comprehensive policy measures proposed by the UNCTAD secretariat were in keeping with the spirit of Conference resolution 169 (VII), and she urged the international community to implement resolution 169 (VII) in a realistic and adequate manner and to continue its assistance to the Palestinian people. In conclusion, she reiterated her Government's support for the legitimate economic rights and interests of the Palestinian people and its struggle for national liberation.

34. The representative of Egypt said that his delegation was alarmed by the intensification of economic and other measures by the Israeli occupation authorities in the context of application of more collective punishments aimed at expanding their powers in the occupied territory and their control over its economic resources. These measures included establishment of settlements,

destruction of houses, expropriation of land, tax-raids, restricting the flow of funds into the occupied territory, tightening restrictions on the activities of international organizations in the occupied territories, and diversion of Palestinian water resources to Israel and its settlements.

35. Despite the escalation of Israeli measures, the Palestinian people had demonstrated their insistence on strengthening self-reliance and on freeing themselves from enforced dependence on the Israeli economy. Positive signs could be seen as regards increasing food self-sufficiency in the occupied territory and substitution for some imports from Israel.

36. His delegation appreciated the assistance provided to the Palestinian people, in particular the increased assistance by the European Economic Community and NGOs. He called for further strengthening of international assistance to the Palestinian people and urged those parties providing assistance to co-ordinate with the Palestinian people and the Palestine Liberation Organization with regard to allocation and transfer of such aid. He called on the Government of Israel to lift all restrictions on international assistance to the occupied territories.

37. He hoped that Israel would follow through on its recently declared promises, referred to in the UNCTAD secretariat's introduction to the item, to lift certain restrictions on the Palestinian economy, and he called upon Israel to heed the recommendations for immediate action contained in the secretariat's report. However, the final solution of the economic crisis of the Palestinian people in the occupied territory required a comprehensive political settlement guaranteeing the legitimate rights of the Palestinian people. He concluded by affirming continuing support for the work of the Special Economic Unit and the need for intensifying its work. He hoped in particular that the Unit would carry out further investigations of the implications of Jewish immigration to Israel on the economic and living conditions of the the Palestinian people in the occupied territories and on the natural resources in these territories.

38. The representative of Israel said that the report once again stood out for its single-minded concentration on effects and its disregard of the causes of a very complicated situation. The reliance on newspaper reports and obviously propagandistic sources of information did not give the report the desired objectivity. The authors had taken every opportunity to give a positive slant to the attempts of the Palestinians to cut themselves off from the reality of their relations with Israel. It was doubtful whether the

presentation of the Palestinian Arabs as an international basket case would serve either their interest or the cause of peace. This was not the way forward, as could clearly be seen from any comparison of economic development in the territory between the period succeeding the Six Days War and the period upon which the report concentrated. The report noted that economic performance had clearly departed from the growth trends of preceding years. One looked in vain through the report for any mention of the Palestinian actions which had set back the economic clock and brought forth the Israeli response. There was no mention in the report of the fact that productive capacity was being devoted to molotov cocktails and the casting of stones, that gangs of terrorists coerced the population into constant strikes leading to decline in trade and that absenteeism from work was as much due to attacks on buses as to any desire for self-reliance.

39. By way of illustration of the tendentious nature of the report, he referred to the issue of water use. The mountains of Judea and Samaria constituted the natural aquifer for the major inhabited areas of Israel. In 1967, the water resources of the area had been relatively underdeveloped and few areas of habitation had had a modern water supply. Following the Six Days War, more than 60 towns in Judea and Samaria had been provided with water supply systems. In 1988/1989, the Palestinian population of Judea and Samaria had used 90 per cent and Israeli settlers 10 per cent of total domestic water supply available in the territory. At the same time, 5.3 million m3 of water had been transferred from Israel, of which 75 per cent had been consumed by the Arab population of the territory. In the Gaza Strip, only 2 per cent of domestic water was accounted for by Israeli settlers. The problem, and the statistics which illustrated it, illustrated a need for new and diversified farming methods, as well as the basic law governing the proper and correct management of water, that water had a monetary value and that there was indeed a need for control of irrigation projects. Unfortunately, discussion of such vital considerations found no place in the report.

40. He concluded by saying that, since the Iraqi invasion of Kuwait, which had resulted in the exodus of many foreign workers, including workers from the Administered areas, the Government of Israel had adopted a number of measures aimed at assisting the population overcome the drastic decline in income and export earnings. Schools and colleges had been reopened, the opening of a new bank and of a central Chamber of Industry had been authorized, visitors from Kuwait who were unable to return were allowed to stay in the territory, and

regulations governing currency transfers into the territory had been relaxed. Israel would consider sympathetically any request to assist refugees from countries whose citizens were affected by the Gulf crisis.

41. The representative of the United States of America said that his Government supported economic assistance for Palestinians through United Nations programmes, and assistance was also provided to Palestinians in the occupied territory through private voluntary organizations.

42. The report of the secretariat cited Israel for creating all or most of the economic problems of the occupied territory, without making sufficient reference to the influence of existing security and political conditions.

43. The representative of Palestine said that, as already proposed in the past, the staff of the Special Economic Unit should be strengthened by the addition of two researchers. A draft resolution would be submitted at the appropriate time and place with a request to expand the Unit. Trade and Development Board resolution 239 (XXIII) had requested UNCTAD to prepare a comprehensive study on the Palestinian national economy, but that this had not been possible owing to lack of the necessary extrabudgetary funds. When a draft resolution had first been submitted to the Second Committee of the General Assembly at its last session to secure the necessary funds, the UNCTAD secretariat had relayed inaccurate budget information to the Committee. After clarification, a new financial statement had been issued, and the General Assembly had decided, in its resolution 44/174, to make the needed extra funds available to the UNCTAD secretariat for completion of the study. He was confident that the study would at last be prepared.

44. He commended the work of the Unit, including its efforts in the preparation of the ITC feasibility study for a marketing centre in occupied Palestine. He noted that the Israeli authorities had notified UNCTAD that the Chief of the Unit, who was a member of the team of experts scheduled to visit the occupied State of Palestine in connection with preparation of the study, would be denied access. He stressed the unrestricted right of United Nations staff to access to the occupied territory of the State of Palestine.

45. The secretariat's report was a well-researched document, despite its reliance, by necessity, on statistics issued by the Israeli occupation authorities which attempted to cover up the real extent of the damage to the Palestinian national economy as a result of Israeli occupation. The losses of the Palestinian national economy had been running at around \$100 million per month in 1989 and had increased since the beginning of the Gulf crisis due to

Israeli attempts to tighten its grip on the occupied territory and the total or partial interruptions in flows of remittances and official and private assistance from Kuwait and other Arab countries, as well as the loss of regional markets for Palestinian exports. This situation was compounded by the adverse impact of the crisis on Jordan, which had strong economic links with the occupied territory of the State of Palestine. Meanwhile, Israeli occupation authorities had imposed further restrictions on Palestinian exports to Jordan under the pretext of abiding by Security Council resolutions and ensuring that Palestinian goods did not reach Iraq through Jordan. He could not imagine Israel posing as an upholder of international legitimacy.

46. The provisional estimate of the total income and remittances losses of the Palestinian people in the occupied territory and abroad as a result of the Gulf crisis amounted to around \$1.3 billion annually. The Palestinian people were worse off in contrast with others because they either lived under occupation or in exile, and yet so far they had not benefited from any aid or compensatory funds linked to the Gulf crisis. He criticized the discrimination and selectivity demonstrated by the upholders of international legitimacy with regard to the Israeli occupation of Palestinian, Syrian and Lebanese lands as compared to the response to the Gulf crisis.

47. In conclusion, he stated that he had yet to hear clearly from one influential member of the Security Council that it was specifically against the Israeli occupation and respected the national rights of the Palestinian people, including the right to self-determination and sovereignty. Principles should be respected and applied across the board. If war were to erupt, all would suffer from the consequences. While people of all nationalities had been leaving Kuwait and Iraq and going home for fear of war, Palestinians could not do the same. He appealed for help for the Palestinian people in freeing their occupied home; only then could the Palestinian national economy develop.

48. The representative of Israel drew attention to the proposals made by his Government at the Second United Nations Conference on the Least Developed Countries and at an UNCTAD meeting four years previously regarding economic development policies, with particular reference to agricultural development, take-off and the green revolution.

49. The representative of the United States of America said that any additional activities undertaken by the UNCTAD secretariat must be implemented within existing resources.

50. The representative of Palestine, reiterating that his delegation would be submitting a draft resolution at the appropriate time and place calling for the expansion and extension of the Special Economic Unit, said that the costs that might be entailed would be studied at that time.

51. The spokesman for the Group of 77 (Bangladesh) said that in 1989/1990 the Israeli occupation authorities had introduced a series of measures aimed at exerting increasing economic pressure on the Palestinian people in the occupied Palestinian territory. Despite the growing losses suffered by the Palestinian economy as a result of Israeli measures and lower levels of activity, co-operation within the Palestinian community had made it possible to effect significant transformation in different areas of economic activity.

52. The secretariat's report indicated that Palestinian economic performance in 1989 had continued to exhibit a downward trend. It was estimated that GDP in the occupied territory had fallen by as much as 35 per cent against its pre-1988 level. Real household income had decreased by as much as 50 per cent. The report noted that Gaza Strip water resources were seriously threatened with depletion and salinity as a result of over-drilling in nearby border areas in Israel, as the bulk of West Bank water resources were diverted by the occupation authorities for use in Israel and its settlements in the territory. The Israeli occupation authorities had accelerated expropriation of Palestinian land and the expansion of Israeli settlements in the occupied territory, with such settlements now numbering over 260. Contrary to the provisions of international law, Israel had continued to settle new immigrants in the occupied Palestinian territory.

53. The report showed that Palestinian agriculture had been most adversely affected by Israeli policy measures. Palestinian farmers had experienced substantial falls in income, and the prospects of the sector had been impaired through the destruction of substantial agricultural assets. However, some encouraging trends toward self-reliance could be seen in Palestinian agriculture, as well as in developments in the industrial sector. Local industries and entrepreneurs had responded to the shift in consumer preferences towards Palestinian national products by increasing utilization of existing production capacity, promoting intersectoral linkages and reorienting marketing strategies to capture a share of the domestic market. However, data quoted in the report for unemployment indicated an alarming fall in economic activity. Meanwhile, a drastic deterioration in monetary conditions had exerted severe pressure on the living conditions of the Palestinian people.

The situation had been further aggravated owing to the use by the Israeli occupation authorities of tax collection as a means of collective punishment of Palestinians during the uprising. The performance of the Palestinian external trade sector had declined to critically low levels, despite the concessions extended to the exports of the occupied territory by the EEC and by developing countries.

54. The report stated that longer-term Palestinian economic development remained doubtful under conditions of prolonged military occupation. In the present circumstances, however, the implementation of the recommendations for economic policy reform and restructuring contained in previous UNCTAD secretariat reports and studies had acquired greater urgency. Increased assistance by the international community to the Palestinian people and more active involvement in the development of their economy were still called for. Efforts at economic revival in the occupied Palestinian territory could build upon the economic initiatives recently demonstrated by the Palestinian people.

55. The Israeli occupation authorities should implement the broad policy reforms outlined in previous UNCTAD reports and studies, as well as certain immediate measures as envisaged in document TD/B/1266. These included ending the seizure of Palestinian land and the restrictive controls over Palestinian water resources; halting the establishment of new settlements and the expansion of existing ones in the occupied Palestinian territory; refraining from applying collective punishments against Palestinian agriculture and easing restrictions on movement of produce to local markets in and between the West Bank and Gaza Strip; easing the crippling tax burden imposed on the Palestinian people; and applying equitable and reciprocal measures with regard to the external trade sector of the occupied territory, including consideration of the possibilities for allowing direct imports to the occupied territory from various sources.

56. In concluding, he said that, in the final analysis, the solution of the economic problems of the Palestinian people was linked to a comprehensive political settlement of the Palestinian question in accordance with relevant United Nations resolutions.

57. The representative of the Union of Soviet Socialist Republics said that, in the secretariat's report (TD/B/1266), convincing data was quoted which bore evidence of a significant deterioration in economic activity in the occupied Palestinian territory. In 1989, GDP had fallen by 35 per cent and per capita GNP by 25 per cent, giving a picture of a crisis situation in the occupied

Palestinian territory. The main cause of this situation was the Israeli occupation policy, which was hindering the comprehensive and effective implementation of the inalienable rights of the Palestinian and other Arab peoples. The Soviet Union reiterated the need for a comprehensive solution, inclusive of political and economic aspects, which could only be reached through an international peace conference.

58. As to the question of Israel's practice of settling immigrants from the USSR in the occupied territory, the Soviet Union had repeatedly stated that it bore no responsibility for this policy and had called for an immediate halt to the practice.

59. The representative of the Libyan Arab Jamahiriya, referring to the secretariat's report, noted in particular the repressive and restrictive economic policies and practices of the Israeli entity, for example the destruction of homes, land confiscation, the expansion of settlements, uprooting of trees, destruction of crops, prevention of fishing, and restrictions on water use. These measures were not surprising, as they were being applied by an illegal and unlawful occupier.

60. The secretariat's report provided clear proof of the intention by Israel to destroy the Palestinian people and force them to leave their land, in order to replace them with Jewish immigrants from all over the world. Israel, which carried out widespread killings, did not find it difficult to follow such repressive political and economic policies.

61. The solution to the economic problems of the Palestinian Arab people lay in the recognition of their right to return and to establish an independent State; this would then allow them to develop their economy and contribute to the development of the world economy.

62. In his concluding remarks, the representative of the UNCTAD secretariat said that the secretariat had noted with keen interest the observations made on its report (TD/B/1266). Regarding the sources of information used for the report, he emphasized the relevance and importance of primary sources of information. However, despite repeated requests to the Israeli authorities, the secretariat had not yet been allowed direct access to the occupied territory. Secondary sources of information, largely issued by Israeli authorities and other bodies, therefore continued to constitute the basis for the secretariat's monitoring and analysis of developments in the Palestinian economy. The secretariat would make yet another request seeking direct access to the occupied territory in connection with its work programme.

63. With respect to interdependence and its relevance to Israeli and Palestinian economic relations, he indicated that the issue had been alluded to during the previous session of the Board. The matter would be dealt with within the context of the intersectoral study on "Prospects for sustained economic development in the occupied Palestinian territory". Now that the secretariat had begun preparing this important study, it would, inter alia, address itself to the Israeli authorities with a view to identifying and exploring possible complementarities between the economy of the occupied territory and that of Israel and studying ways and means of promoting these for their mutual benefit on an equal footing.

Action by Sessional Committee II

64. At its 4th meeting, on 5 October 1990, Sessional Committee II took note of the report of the secretariat as contained in document TD/B/1266 and Corr.1.



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Addendum

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Chapter III

OTHER MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

(Agenda item 9)

(a) Restrictive business practices

65. The representative of Sweden, in the absence of the Chairman of the Intergovernmental Group of Experts on Restrictive Business Practices, introduced the report of the Intergovernmental Group on its ninth session, held from 23 to 27 April 1990 (TD/B/1261-TD/B/RBP/76). At that session, the Intergovernmental Group had served as the preparatory body for the Second United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, to be held from 26 November to 7 December 1990. At its ninth session, the Group had, inter alia, adopted agreed conclusions.

Action by Sessional Committee II

66. At its 5th meeting, on 8 October 1990, Sessional Committee II took note of the report of the Intergovernmental Group of Experts on Restrictive Business Practices on its ninth session (TD/B/1261-TD/B/RBP/76) and endorsed the Intergovernmental Group's agreed conclusions.

(b) Invisibles and financing related to trade

67. The representative of Kenya, in the absence of the Chairman of the Committee on Invisibles and Financing related to Trade, introduced the reports of the Committee on the first and second parts of its thirteenth session, held from 5 to 9 February and 30 April to 8 May 1990 (TD/B/1249-TD/B/C.3/237 and TD/B/1262-TD/B/C.3/239 respectively). He drew attention in particular to Committee resolutions 33 (XIII) and 34 (XIII).

Action by Sessional Committee II

68. At its 5th meeting, on 8 October 1990, Sessional Committee II took note of the reports of the Committee on Invisibles and Financing related to Trade on its thirteenth session (TD/B/1249 and TD/B/1262) and endorsed the resolutions contained therein.

(c) Preferences

69. The Chairman of the Special Committee on Preferences at its seventeenth session introduced the report of the Special Committee on its

seventeenth session (TD/B/1263-TD/B/C.5/132). That session, held from 14 to 22 May 1990, had constituted the second 10-year comprehensive review of the GSP. He drew attention to resolution 11 (XVII) and agreed conclusions 12 (XVII) adopted by the Special Committee.

Action by Sessional Committee II

70. At its 5th plenary meeting, on 8 October 1990, Sessional Committee II took note of the report of the Special Committee on Preferences on its seventeenth session (TD/B/1263-TD/B/C.5/132) and endorsed the resolutions and agreed conclusions contained therein.

(d) Shipping

71. The representative of Norway, in the absence of the Chairman of the Committee on Shipping, introduced the report of the Committee on its fourteenth session, held from 21 to 29 June 1990 (TD/B/1264-TD/B/C.4/336). At that session, the Committee had adopted resolutions 64 (XIV), 65 (XIV), 66 (XIV) and 67 (XIV). With regard to resolution 66 (XIV) on the subject of maritime liens and mortgages, she informed the Board that the IMO Legal Committee, at its sixty-third session, had endorsed the recommendations of the UNCTAD Committee on Shipping and recommended to the IMO Council that it lend its support to the recommendations. With respect to the Review Conference on the Liner Code, she said that the Board might wish to note that the process of informal consultations on the draft rules of procedure for the Review Conference on the Liner Code Convention was continuing under the Chairmanship of the Secretary-General of UNCTAD. A further two-day meeting was scheduled to take place in Geneva on 31 October - 1 November 1990. If an informal agreement on the rules of procedure was obtained at that meeting, it might be envisaged that a resumed session of the Review Conference could be held sometime in 1991.

Action by Sessional Committee II

72. At its 5th meeting, on 8 October 1990, Sessional Committee II took note of the report of the Committee on Shipping on its fourteenth session (TD/B/1264-TD/B/C.4/336) and endorsed the resolutions annexed thereto.

(e) Island developing countries

73. The representative of New Zealand, in the absence of the Chairman of the Meeting of Governmental Experts of Island Developing Countries and Donor Countries and Organizations, introduced the report of the Meeting, which had been held from 25 to 29 June 1990 (A/CONF.147/5-TD/B/AC.46/4).

74. The Chief of the Special Programme for Least Developed, Landlocked and Island Developing Countries, after outlining the documentation prepared for the Meeting and the recommendations of the Meeting, said that the Strategic Framework, which constituted the substantive outcome of the Meeting, would form the basis for co-operation between the island developing countries (IDCs) and their development partners. The report of the Meeting would be made available to the General Assembly.

75. The representative of Malta said that his delegation noted with satisfaction that in the Declaration on International Economic Co-operation, adopted by consensus at the eighteenth special session of the General Assembly, it had been agreed that the special development problems and needs of island developing countries should be addressed, to cope with the challenges of the 1990s.

76. As an island developing country, Malta appreciated the work done by the UNCTAD secretariat to assist island developing countries. However, additional human and financial resources were necessary to address the IDCs' problems and to undertake the studies requested in the concluding part of chapter II of the report of the IDC Meeting, which should serve as the basis for future follow-up action in favour of IDCs. In this regard, his delegation reiterated the proposal made by Malta during the IDC Meeting that a unit be set up within the UNCTAD secretariat to be the focal point for specific action at the global level in favour of IDCs and to act as a catalyst in that regard, as called for in General Assembly resolution 43/189. Finally, his delegation welcomed the convening of UNCTAD meetings of governmental experts and donors and organizations to review the developments in respect of IDCs.

77. The representative of New Zealand said that the report of the Meeting on IDCs reflected the open and co-operative spirit evident in the growing partnership between donors and IDCs. The Meeting had achieved a forward-looking consensus report incorporating a strategic framework for the future consideration of IDC issues.

78. The South Pacific community was made up largely of IDCs, and the problems facing those countries were well known to New Zealand. However, to the problems listed in the report must be added that of sea level rise associated with climatic change. For many small islands, therefore, sustainable development was now charged with a whole new meaning. In that connection, he endorsed the call of the Secretary-General of the United Nations Conference on Environment and Development for the environment/development relationship to be

moved from the level of concept to that of practice, across the whole broad range of economic and policy areas. Addressing issues identified in the report of the Meeting on IDCs was a priority task for UNCTAD, working through or in conjunction with appropriate international agencies and regional organizations.

79. The representative of Australia fully endorsed the statements of the representative of New Zealand and the Chief of the Special Programme for Least Developed, Landlocked and Island Developing Countries, particularly with regard to the concept of sustainable development. A number of IDCs, including some of those in the Asia and Pacific region, were also LDCs, and it was hoped that the idea of partnership emphasized at the Second United Nations Conference on the LDCs would be extended to IDCs as well.

80. The representative of France said that her country's position on the question of the venue of the Meeting and on the substantive issues considered at the Meeting was as reflected in the Meeting's report. With regard to chapter II of the report, the term "strategic framework" should be translated as "cadre stratégique" in the French text.

81. The representative of Haiti said that, although the report of the Meeting on IDCs was excellent, the Meeting had requested the UNCTAD secretariat to undertake an unrealistically large number of studies, not all of which were on topics specific to IDCs. He therefore suggested, with reference to paragraph 52 of the report of the Meeting, that priority should be given to the following studies: a periodic review of socio-economic performance of IDCs, highlighting the factors that have led to success and shortcomings; review of appropriate indicators of social and economic progress which take into account not only the level of GNP but also other factors that relate to the high vulnerability of IDCs; policies and measures which might mitigate the impact of natural disasters.

Action by Sessional Committee II

82. At its 5th plenary meeting, on 8 October 1990, Sessional Committee II took note of the report of the Meeting of Governmental Experts of Island Developing Countries and Donor Countries and Organizations (A/CONF.147/5-TD/B/AC.46/4), as well as the comments made thereon.
